

Decision 05-02-050 February 24, 2005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, To Increase Revenue Requirements for Electric and Gas Service and to Increase Rates and Charges for Gas Service Effective on January 1, 2003. (U 39 M)

Application 02-11-017
(Filed November 8, 2002)

Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company.

Investigation 03-01-012
(Filed January 16, 2003)

Application of Pacific Gas and Electric Company Pursuant to Resolution E-3770 for Reimbursement of Costs Associated with Delay in Implementation of PG&E's New Customer Information System Caused by the 2002 20/20 Customer Rebate Program. (U 39 E)

Application 02-09-005
(Filed September 6, 2002)

ORDER GRANTING PETITION TO MODIFY DECISION 04-05-055

The petition for modification is granted.

1. Background

On December 10, 2004, Pacific Gas and Electric Company (PG&E) filed a petition for modification of Decision (D.) 04-05-055. PG&E seeks a two-month extension of the due date for audited executive compensation information to be included in a separate tab as part of its annual General Order (GO) 77-L filing,

due March 31 each year.¹ Greenlining Institute (Greenlining) authorized PG&E to represent that it does not oppose the petition. No responses to the petition were filed.

2. Discussion

In May 2004, we adopted a joint recommendation of PG&E and Greenlining that requires PG&E to file additional information in a separate tab as part of its annual GO 77-L report. The information is on the total compensation of the top executive officers of the utility's holding company as well as all other utility officers. We also require that PG&E include an independent auditor's letter verifying that all elements of compensation as required are fully disclosed, clearly described, and totally comprehensive. (D.04-05-055, Ordering Paragraph 12.)

The GO 77-L report is due each year on March 31. PG&E seeks a two-month extension, to June 1, for filing the information in the audited executive compensation tab.

PG&E claims that it will be difficult to obtain the independent auditor's letter verifying the executive compensation data by March 31, since March is a particularly busy time for accountants. No party argues otherwise. Moreover, PG&E affirms that the request does not alter its commitment to include in its annual GO 77-L report a separate tab listing the total compensation (including long-term incentives) of top executive officers of the utility's holding company

¹ In August 2004, we changed the designation of the GO 77 report from 77-K to 77-L. (D.04-08-055.)

whose compensation is listed in the holding company's proxy statement, as well as the total compensation of all utility officers.

Given these circumstances, the short extension is reasonable. The petition is granted.

3. Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code, the otherwise applicable 30-day period for public review and comment is being waived.

4. Assignment of Proceeding

Michael R. Peevey is the Assigned Commissioner. Julie M. Halligan and Burton W. Mattson are the assigned ALJs.

Findings of Fact

1. PG&E claims that it will be difficult to obtain an independent auditor's letter verifying the executive compensation data by March 31, since March is a particularly busy time for accountants, and its claim is unopposed.

2. PG&E's petition does not alter its commitment to include in its annual GO 77-L report a separate tab listing the total compensation (including long-term incentives) of top executive officers of the utility's holding company whose compensation is listed in the holding company's proxy statement, as well as the total compensation of all utility officers.

3. The two-month extension is a short extension, and it will not compromise access to the required information, while continuing to ensure that the information is independently audited and verified.

Conclusions of Law

1. PG&E's petition for modification should be granted.

2. The period for comment on the draft decision should be waived since this is an uncontested matter where the decision grants the relief requested.

3. This order should be effective immediately so that PG&E may proceed with increased certainty in preparing the necessary components of its GO 77-L report.

O R D E R

IT IS ORDERED that:

1. The period for comment on the draft decision is waived.

2. The December 10, 2004 petition for modification filed by Pacific Gas and Electric Company of Decision 04-05-055 is granted.

3. Decision 04-05-055 is modified as follows:

a. The following sentence on page 109 (mimeo) is changed from:

“However, we will require PG&E to file the additional information discussed above in its GO 77-K report.”

To:

“However, we will require PG&E to file the additional information discussed above as part of its GO 77-L report.”

b. Ordering Paragraph 12 is change from:

“12. PG&E shall file in its GO 77-K reports a separate tab listing the total compensation of the top executive officers of the utility’s holding company whose compensation is listed in the holding company’s proxy statement as well as the total compensation of all other utility officers. This additional information shall include not only compensation received in the prior year as now required by GO 77-K but also compensation awarded in the last year but not yet received, including but not limited to stock option grants. PG&E shall also include an independent auditor’s letter verifying that all elements of compensation as required are fully disclosed, clearly described, and totally comprehensive. Disclosure shall include internet site

links to all documents filed with the Securities and Exchange Commission that relate to any and all elements of executive compensation as required herein.”

To:

“12. PG&E shall file as part of its GO 77-L reports a separate tab listing the total compensation of the top executive officers of the utility’s holding company whose compensation is listed in the holding company’s proxy statement as well as the total compensation of all other utility officers. This additional information shall include not only compensation received in the prior year as now required by GO 77-L but also compensation awarded in the last year but not yet received, including but not limited to stock option grants. PG&E shall also include an independent auditor’s letter verifying that all elements of compensation as required are fully disclosed, clearly described, and totally comprehensive. To accommodate the time necessary to fulfill the auditing requirement, this executive compensation tab of the annual GO 77-L report shall be due June 1 each year. Disclosure shall include internet site links to all documents filed with the Securities and Exchange Commission that relate to any and all elements of executive compensation as required herein.”

This order is effective today.

Dated February 24, 2005, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
SUSAN P. KENNEDY
DIAN M. GRUENEICH
Commissioners